

March 30, 2001

Company name: inter Q inc.

Address: 20-1, Sakuragaoka-cho, Shibuya-ku, Tokyo

Representative: Masatoshi Kumagai, Representative Director and President

OTC issues: Code No. 9449

Contact person: Yoshihiro Himeji, Director and General Manager of Management Department

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## Announcing the changeover of iSLE Inc. to a wholly owned subsidiary company through the exchange of shares

We are pleased to inform you as follows that in the board meeting held on March 29, 2001, our company resolved to make iSLE Inc. a wholly owned subsidiary company on May 8, 2001, through the exchange of shares.

Note:

### **1. The objective is to make iSLE Inc. a wholly owned subsidiary company through the exchange of shares**

As an integrated infrastructure company for the Internet, we operate the access business, server business, and domain business for the Internet. Above all, demand for the server business is expected to grow as e-commerce develops. Therefore, we are focusing on the rental server business for corporate and personal customers, and operate "interQ OFFICE," or a membership integrated Internet service for corporate customers, "marugoto server," or server rental service with high-speed circuits, and "Discount-Domain.com rental server," or domain registration service on the Discount-Domain.com site. On the other hand, iSLE Inc. operates the rental server business in the main, and its level of technology is high.

We decided to exchange shares with iSLE Inc., with the aim of improving our customer base in the server business field, and enhancing the convenience for customers by sharing both companies' technology, know-how, and marketing.

### **1. Conditions for the exchange of shares**

(1) Schedule

Board meeting to approve an agreement for the exchange of shares

: March 29, 2001

Conclusion of an agreement for the exchange of shares

: March 29, 2001

Shareholders meeting to approve the agreement

: The exchange will be conducted without obtaining approval in a shareholders' meeting under Section 1 of Article 358 of the Commercial Law.

Date of the exchange

: May 8, 2001

(2)Share exchange ratio

	interQ inc. (100% parent company)	iSLE Inc. (100% subsidiary company)
Share exchange ratio	1	68.5

(Notes)

1. Share allotment ratio

A total of 68.5 interQ shares are allotted to one iSLE share.

2. Appraisal results, the appraisal method, and the appraisal basis by a third party institute

With respect to the ratio for the exchange of shares, interQ inc. and iSLE Inc. decided on the ratio based on the appraisal results computed by AER Corporation, a third party institute, using the average market price and the DCF method.

3. New shares issued by the exchange of shares

Appraisal basis by a third party institute

\*Computation period for the average share price: from December 15, 2000 to March 14, 2001

4. New shares issued by the exchange of shares

Par value common stocks: 574,515 shares (face value 50 yen)

(3)Compensation for the exchange of shares

Compensation is not paid for the exchange of shares.

(4)Initial date of calculating the dividends

Initial date of reckoning dividend of new shares issued by the share exchange is January 1, 2001.

## 2. Profile of companies that exchange shares

( As of March 30, 2000 )

Trade name	interQ inc.	iSLE Inc.
Business contents	Comprehensive Internet infrastructure business 1.Access service 2.Server service 3.Domain service	1.Web hosting service 2.School business (fostering of game creators), Internet technology education

Date of establishment	May 24, 1991	December 14, 1993
Location of the head office	10F Shibuya Infosstower, 20-1, Sakuragaoka-cho, Shibuya-ku, Tokyo	Nissei Kojimachi Building, 3-3-6, Kudan-minami, Chiyoda-ku, Tokyo
Company representative	Masatoshi Kumagai	Mitsuru Aoyama
Amount of capital	3,200,649 thousand yen	419,500 thousand yen
Outstanding shares (Face value)	25,099,179 shares (50 yen)	8,390 shares (50,000 yen)
Shareholders' equity	8,189,944 thousand yen	363,317 thousand yen
Gross asset	9,297,924 thousand yen	712,305 thousand yen
Settlement term	December 31	June 30
Employees	119	71
Main accounts	Clients: personal customers	Supplier : Network Solutions Inc. USA Nissho Electronics Corporation, and others Clientele : Webkeepers Inc. and others
Major shareholders and their shareholding ratio (with more than a 10% shareholding ratio)	Shoei Ltd. 45.11% Masatoshi Kumagai 11.55%	Dodwell BMS Ltd. 73.9% Pasona Softbank Inc. 10.07%
Main bank	Bank of Tokyo-Mitsubishi	Bank of Tokyo-Mitsubishi
Number of shareholders	1,376 people	17 people

Financial results of recent three account terms

	interQ inc. (100% parent company)			iSLE Inc. (100% subsidiary company)		
	F/Y ended December 1998	F/Y ended December 1999	F/Y ended December 2000	F/Y ended November 1998	F/Y ended November 1999	F/Y ended June 2000
Settlement term						
Sales (thousand yen)	1,945,989	3,703,421	6,784,578	90,828	129,310	254,716
Operating income (thousand yen)	219,894	715,482	1,308,637	1,295	1,156	77,902
Ordinary income (thousand yen)	215,256	784,297	1,202,370	1,881	1,543	80,881
Net income (thousand yen)	98,294	329,009	562,786	1,809	1,288	66,395
Net income per share (yen)	366.77	60.62	22.70	9,049.49	6,442.42	10,586.95
Dividend per share (yen)	-	-	5.0			
Shareholders' equity per share	1,460.6	765.23	326.30	48,081.38	54,523.80	45,031.58

### 3. Company profile after the exchange of shares

Trade name	interQ inc. (100% parent company)	iSLE Inc. (100% subsidiary company)
Business contents	Comprehensive Internet infrastructure business 1.Access service 2.Server service 3.Domain service	1.Web hosting service 2.School business (fostering of game creators), Internet technology education
Location of the head office	10F Shibuya Infosstower, 20-1, Sakuragaoka-cho, Shibuya-ku, Tokyo	Nissei Kojimachi Building, 3-3-6, Kudan-minami, Chiyoda-ku, Tokyo
Company representative	Masatoshi Kumagai	Mitsuru Aoyama
Amount of capital	3,200,649 thousand yen	419,500 thousand yen

#### (1) Effects on business performance

We believe that with this exchange of shares we will be able to establish a stable profit structure, because we can enhance our customer base in the rental server business of our group, and improve convenience for our customers.

#### (2) Forecast on consolidated financial results after the exchange of shares

We have not announced the latest business forecast because the business environment surrounding the Internet is very volatile and difficult to project. Instead, we will continue to promptly disclose our quarterly financial results rather than business forecasts.

Concluded

#### [Information]

As of April 1, 2001, interQ inc. will change its trade name and the location of its head office.

New trade name: Global Media Online Inc.

New location of head office: Cerulean Tower, 26-1, Sakuragaoka-cho, Shibuya-ku, Tokyo